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CENTRAL INTELLIGENCE BULLETIN

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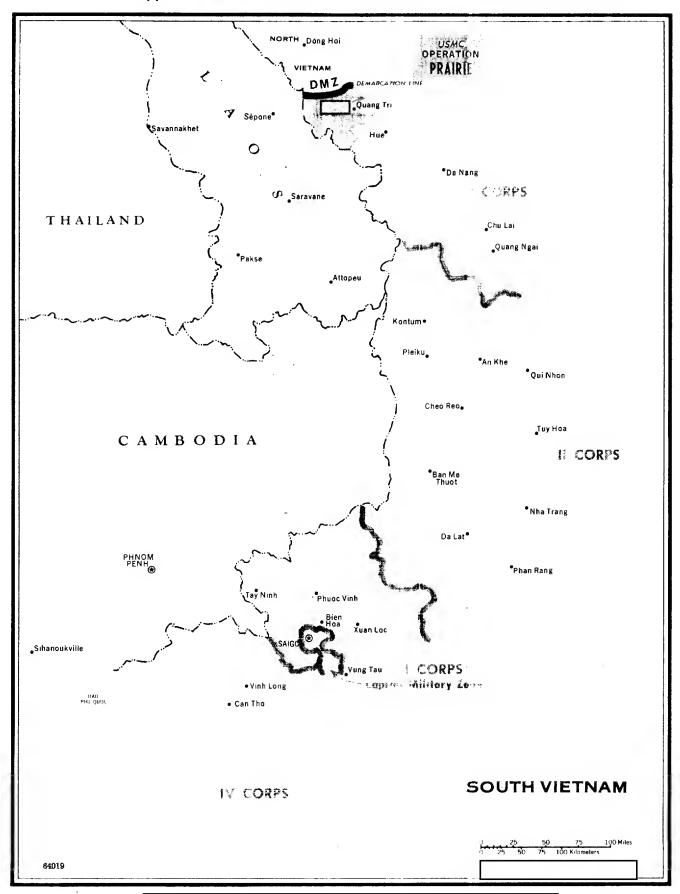
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*Vietnam: (Information as of 4:30 AM EDT)

Political Developments in South Vietnam: South Vietnam's military leaders are continuing to seek and receive advice from their South Korean counterparts on the transfer of power from a military to a civilian government in South Vietnam.

General Nguyen Ngoc Loan, National Police director, is scheduled to travel to Seoul next week to discuss aspects of this problem,

Loan's party
will include police and military security service officials. Other military members of the South Vietnamese Government, including Directorate Secretary General Chieu, have traveled to Seoul to discuss similar matters during the past few months.

In response to a letter from Buddhist Institute
Chairman Tam Chau, National Police Director Loan
has promised to release all Buddhist "struggle" prisoners still under detention,

Unconfirmed reports in-

dicate that four prominent civilian members of the "struggle" movement in Hue were released on 26 September.

The Military Situation in South Vietnam: Several sharp clashes have been reported in northern Quang Tri Province where US Marines are continuing to search out heavily entrenched North Vietnamese troops just south of the Demilitarized Zone (DMZ).

On 28 September, Communist forces launched two heavy mortar attacks against a US Marine command post within a two-hour period. One American

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was killed and 43 wounded in the bombardment. Two enemy soldiers were killed by a US reaction force.

The number of Communist soldiers killed since Operation PRAIRIE began on 3 August now totals 933. Cumulative American casualties are 130 killed and 497 wounded.

The highest number of American casualties for a one-week period--970 men killed, wounded, and missing--was reported last week. This was due, in part, to heavy fighting in the area of Operation PRAIRIE.

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Yugoslavia-USSR: Tito's irritation at Moscow's past attention to his deposed heir-apparent, Aleksandar Rankovic, is reported to have clouded Brezhnev's recent visit to Yugoslavia.

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nev to task for personal contacts which Soviet leaders have had with Rankovic in recent years. Tito apparently was incensed because the contacts were not made known to him by Rankovic.

Brezhnev is said to have proposed drastic coordinated action against China by the Communist parties. Tito agreed with Brezhnev's reading of the situation in China, where, according to Brezhnev, a personal military regime appeared to be trying to destroy the Communist Party. The Yugoslav leader urged restraint, however, and opposed breaking relations with or condemning Peking. He is said to have refused Brezhnev's requests for increased and more highly publicized aid to North Vietnam, noting Belgrade's poor relations with Hanoi.

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is almost certainly an overstatement, particularly in regard to Brezhnev's proposals on united action against China, but the talks probably did uncover Soviet-Yugoslav differences on handling the Chinese problem.

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Guatemala: The Guatemalan Communist Party has been discussing the action it would take in the event of a rightest coup against the Mendez government.

A regional leader of the party is convinced that the National Liberation Movement and its military supporters will attempt a coup in the near future. 25X1 25X1 Communist elements are ready in that event to use trained, organized, and armed peasants to try to sabotage rail lines, communications and roads, and to promote general chaos. 25X1 The Cuban Mission to the UN has been purchasing US surplus equipment and shipping it to Mexico. It is possible that this material includes arms destined for Guatemalan guerrillas. 25X1 continued failure of the government to exert positive leadership would bring an early coup attempt, even though the plotters recognized the risk that a coup could lead to "still further violence and even to civil war." 25X1

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Cuba: Fidel Castro's most recent speeches, particularly that on 28 September, indicate that the old divisive issue of economic incentives has again erupted within his regime.

The debate appears to be a renewal of the differences which were so pronounced in 1964 and 1965 over how best to cope with Cuba's economic and administrative problems, but with a shift in Fidel Castro's position.

The argument revolves in part around the old issue of "moral" versus "material" incentives. Ernesto "Che" Guevara was the most dogmatic exponent of emphasizing moral incentives to stimulate greater labor productivity. He was overruled on this and other ideological points by Castro and disappeared from the scene in early 1965.

Castro has now swung toward Guevara's preference for ideological inspiration over material reward as a spur to labor. In a speech on 29 August Castro twice mentioned the problem of choosing between 'moral and material stimuli" and said that improved technology would ultimately make this an obsolete issue. In his 28 September speech, Castro showed vexation with those in his regime who have been arguing for compromise in the long-term goal of constructing a "socialist" society in order to give the Cuban people better living conditions in the short run.

The Cuban leader also said, "We shall not reach Communism on the paths of capitalism," and warned "servile spirits" in the Cuban Communist Party not to go too far in pushing their pragmatic views.

Castro's latest speed	ches are a warning to the Cuban
people that they can expe	ct no early improvement in
their standard of living.	

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NOTES

25X1 25X1	Greece: A political storm can be expected to follow the Stephanopoulos government's release, planned for tomorrow, of a report on the "Aspida," a secret army group strongly oriented toward the opposition Center Union (EK). the report implicates at least one government leader as well as several opposition figures and 30 to 35 army officers. Despite its own limited involvement, the government presumably hopes to undermine the EK's strength prior to the scheduled reconvening of Parliament on 15 October, and especially to destroy the influence within the EK of Andreas Papandreou, controversial son of the EK's leader.	25X1
	Egypt-Syria: Syria has asked Egypt to send troops to Syria, Cairo is said to have agreed on condition that the troops be stationed at a separate base under Egyptian control and that they be used only in event of an Israeli attack. Nasir may view the proposal as offering a way to re-	25X1
	strain the Syrians from becoming involved in serious military clashes with the Israelis.	25X1
	Nigeria: The worsening security situation is overshadowing signs of modest progress at the Lagos constitutional talks. Incidents of murder and intimidation of Eastern Ibo tribesmen by unruly troops and civilians in the North are multiplying and order appears to be breaking down on a widening scale. Contributing to rising tension are a multitude of rumors that some dramatic new development, probably involving further moves against Ibos, will occur on 1 October, Nigeria's	2EV4
	National Day.	25X1
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